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SENSITIVE
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TREASURY FOR BLINDQUIST
COMMERCE FOR KMANN

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TAGS: [EAGR](#) [ECON](#) [ETRD](#) [ECIN](#) [PREL](#) [CI](#)
SUBJECT: CHILE: TRILATERAL COOPERATION BEGINS WITH CAFTA-DR COUNTRIES
ON AGRICULTURAL INSPECTIONS

REF: SANTIAGO 812

1. (SBU) SUMMARY: USDA sponsored 18 delegates from Costa Rica, the Dominican Republic, El Salvador, Guatemala, and Nicaragua in a study tour of Chilean agricultural inspection and quarantine facilities August 31-September 4. Post proposed the visit, in keeping with the commitment made by Presidents Obama and Bachelet in June to increase trilateral cooperation in the Hemisphere. The delegates observed Chile's agricultural inspection services as well as how public sector regulation is balanced with private sector export needs. Post's USDA offices and its Chilean counterparts have selected Costa Rica to conduct further trilateral cooperation projects. END SUMMARY.

Background

2. (U) Presidents Obama and Bachelet committed to increasing trilateral cooperation in the Hemisphere during their White House meeting in June. In keeping with this commitment, Post's USDA offices and the GOC focused on improving agricultural export procedures among the Central American Free Trade Agreement - Dominican Republic (CAFTA-DR) member countries. Chile, also a U.S. FTA partner, has a world-class agricultural and livestock inspection service (SAG) along with extensive experience exporting agricultural products to the U.S. SAG has the second largest U.S. agricultural pre-clearance process in the world. Chile also has previous experience working with Central American nations (see ref).

3. (U) CAFTA-DR partners export many agricultural products to the U.S. While their current port and container inspection practices have improved, detentions of fruit and vegetable shipments still occur at the port of entry in the U.S. These detentions result not only in a preventable loss of revenue but also prompt further inspections in future shipments. As a result, CAFTA-DR agricultural exports become less competitive. These countries have

requested technical assistance in inspection techniques and quarantine facilities in order to reduce the number of shipments detained and destroyed in the U.S.

14. (U) USDA sponsored 18 delegates from the Ministries of Agriculture and private sectors of Costa Rica, the Dominican Republic, El Salvador, Guatemala, and Nicaragua to participate in a study tour of Chilean inspection and quarantine facilities August 31 - September 4, 2009. The tour allowed Chile to demonstrate its successful agricultural export practices and to showcase the relationship between public sector regulation and private sector export needs -- reportedly an element that needs development in Central America.

Visit

15. (U) FAS put together a schedule for the CAFTA-DR visitors including appointments at the Ministry of Agriculture, packing houses, and exporters in the private sector. SAG officials presented their inspection and quarantine system in detail, which

impressed the group of delegates. The visitors also received a briefing from the Fresh Fruit Export Association (ASOEX) and fresh fruit producers of the Central Region in Chile. These briefings allowed the delegates to hear about the importance of good relations between exporters and the government.

16. (U) The CAFTA-DR delegates also visited SAG inspection sites in Valparaiso, the border crossing with Argentina (Paso Los Libertadores), and the International Airport in Santiago to see Chile's agricultural inspections at ports of entry. While at these sites, the group saw inspection techniques and phytosanitary certification, entomology laboratories (where insects are kept for reference and pests are identified), and SAG's quarantine station and central laboratory. The program ended with a visit to an avocado and orange packing house where the visitors saw Chile's agricultural surveillance program.

Results and Next Steps

17. (SBU) The CAFTA-DR delegates expressed a strong interest in forging a deeper relationship with SAG authorities. Chilean authorities indicated they will assist the Central American region in attempts to improve the flow of agricultural exports to the U.S. FAS had worked with SAG independently of the visit to identify a country in the region in which to collaborate. Both parties have agreed that Costa Rica appears ripe for trilateral cooperation, given that its agricultural inspection system is a little more advanced than other countries in the region.

SIMONS